

# **SAN BENITO COUNTY**

Audit Report

## **COURT REVENUES**

*July 1, 2005, through June 30, 2012*



**JOHN CHIANG**  
California State Controller

December 2013



**JOHN CHIANG**  
**California State Controller**

December 17, 2013

The Honorable Joe Paul Gonzalez  
Auditor-Controller  
San Benito County  
481 Fourth Street, 2<sup>nd</sup> Floor  
Hollister, CA 95023

Gil Solorio  
Court Executive Officer  
Superior Court of California,  
San Benito County  
440 Fifth Street, Room 205  
Hollister, CA 95023

Dear Mr. Gonzalez and Mr. Solorio:

The State Controller's Office audited San Benito County's court revenues for the period of July 1, 2005, through June 30, 2012.

Our audit found that the county underremitted \$32,906 in court revenues to the State Treasurer because it:

- Overremitted the 50% excess of qualified fines, fees, and penalties by \$31,972;
- Underremitted State parking penalties and equipment tag violations by \$28,502;
- Underremitted evidence-of-responsibility fines by \$42,692; and
- Overremitted emergency medical air transportation penalties by \$6,316.

The San Benito County Auditor-Controller's Office should remit the balance of \$32,906 to the State Treasurer.

The county should differentiate the individual accounts making up this amount on the bottom portion of the monthly TC-31, Remittance to State Treasurer, in accordance with standard remittance procedures. The county should state on the remittance advice that the account adjustments relate to the SCO audit for the period of July 1, 2005, through June 30, 2012.

Please mail a copy of the TC-31 and documentation supporting the corresponding adjustment(s) to the attention of the following individuals:

Jerry Zhou, Audit Manager  
Division of Audits  
State Controller's Office  
Post Office Box 942850  
Sacramento, CA 94250-5874

Cindy Giese, Collections Supervisor  
Division of Accounting and Reporting  
Bureau of Tax Administration  
Post Office Box 942850  
Sacramento, CA 94250-5872

**Once the county has paid the underremitted Trial Court Trust Fund and State Court Facilities Construction Fund amounts, we will calculate a penalty on the underremitted amounts in accordance with Government Code sections 68085, 70353, and 70377.**

If you have any questions, please contact Elizabeth Gonzalez, Chief, Local Government Compliance Audits Bureau, by phone at (916) 324-0622.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

JVB/vb

cc: Jaime de la Cruz, Chair  
San Benito County Board of Supervisors  
John Judnick, Senior Manager  
Internal Audit Services  
Judicial Council of California  
Julie Nauman, Executive Officer  
Victim Compensation and Government Claims Board  
Greg Jolivette  
Legislative Analyst's Office  
Sandeep Singh, Fiscal Analyst  
Division of Accounting and Reporting  
State Controller's Office  
Cindy Giese, Supervisor, Tax Programs Unit  
Division of Accounting and Reporting  
State Controller's Office

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# Audit Report

## Summary

The State Controller's Office (SCO) performed an audit to determine the propriety of court revenues remitted to the State of California by San Benito County for the period of July 1, 2005, through June 30, 2012.

Our audit found that the county underremitted \$32,906 in court revenues to the State Treasurer because it:

- Overremitted the 50% excess of qualified fines, fees, and penalties by \$31,972;
- Underremitted State parking penalties and equipment tag violations by \$28,502;
- Underremitted evidence-of-responsibility fines by \$42,692; and
- Overremitted emergency medical air transportation penalties by \$6,316.

## Background

State statutes govern the distribution of court revenues, which include fines, penalties, assessments, fees, restitutions, bail forfeitures, and parking surcharges. Whenever the State is entitled to a portion of such money, the court is required by Government Code (GC) section 68101 to deposit the State's portion of court revenues with the county treasurer as soon as practical and provide the county auditor with a monthly record of collections. This section further requires that the county auditor transmit the funds and a record of the money collected to the State Treasurer at least once a month.

GC section 68103 requires that the SCO determine whether or not all court collections remitted to the State Treasurer are complete. GC section 68104 authorizes the SCO to examine records maintained by any court. Furthermore, GC section 12410 provides the SCO with general audit authority to ensure that state funds are properly safeguarded.

## Objective, Scope, and Methodology

Our audit objective was to determine whether the county completely and accurately remitted court revenues in a timely manner to the State Treasurer for the period of July 1, 2005, through June 30, 2012. We did not review the timeliness of any remittances the county may be required to make under GC sections 70353, 77201.1(b)(1), and 77201(b)(2).

To meet our objective, we reviewed the revenue-processing systems within the county's Superior Court, Probation Department, and Auditor-Controller's Office.

We performed the following procedures:

- Reviewed the accuracy of distribution reports prepared by the county that show court revenue distributions to the State, the county, and the cities located within the county
- Gained an understanding of the county's revenue collection and reporting processes by interviewing key personnel and reviewing documents supporting the transaction flow
- Analyzed various revenue accounts reported in the county's monthly cash statements for unusual variations and omissions
- Evaluated the accuracy of revenue distribution, using as criteria various California codes and the SCO's *Manual of Accounting and Audit Guidelines for Trial Courts*
- Tested for any incorrect distributions
- Expanded any tests that revealed errors to determine the extent of any incorrect distributions

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We did not audit the county's financial statements. We considered the county's internal controls only to the extent necessary to plan the audit. This report relates solely to our examination of court revenues remitted and payable to the State of California. Therefore, we do not express an opinion as to whether the county's court revenues, taken as a whole, are free from material misstatement.

## **Conclusion**

San Benito County underremitted \$32,906 in court revenues to the State Treasurer. The underremittances and overremittances are summarized in Schedule 1 and described in the Findings and Recommendations section of this report.

## **Follow-Up on Prior Audit Findings**

The county has satisfactorily resolved the findings noted in our prior audit report, issued December 6, 2006, with the exception of Finding 6 – Underremitted Evidence-of-Responsibility Fines.

This finding is addressed in Finding 4 in this audit report.

**Views of  
Responsible  
Officials**

We issued a draft audit report on February 28, 2013. Joe Paul Gonzalez, County Auditor-Controller, responded by letter dated July 26, 2013 (Attachment A), agreeing with the audit results. Gil Solorio, Court Executive Officer, responded by letter dated June 10, 2013 (Attachment B), agreeing with Findings 4 and 5. The Superior Court did not provide a response to Findings 1, 2, and 3.

**Restricted Use**

This report is solely for the information and use of San Benito County, the San Benito County Courts, the Judicial Council of California, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

December 17, 2013

# Schedule 1— Summary of Audit Findings by Fiscal Year July 1, 2005, through June 30, 2012

| Description of Finding<br>Account Title <sup>1</sup> —Code Section   | Fiscal Year     |                 |                 |                 |                 |                 | Total            | Reference <sup>2</sup> |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------------|
|  | 2006-07         | 2007-08         | 2008-09         | 2009-10         | 2010-11         | 2011-12         |                  |                        |
| Overremitted 50% excess of fines, fees, and penalties:<br>Trial Court Improvement Fund/AB233 MOE GC §77205                       | \$ (9,315)      | \$ (7,114)      | \$ (5,706)      | \$ (4,342)      | \$ (4,155)      | \$ (1,340)      | \$ (31,972)      | Finding 1              |
| Underremitted state parking penalties and equipment/tag violations:<br>State General Fund/Equipment/Tag Penalty-50% VC §40225(d) | 1,340           | 1,418           | 2,540           | 4,278           | 2,328           | 2,225           | 14,129           | Finding 2              |
| State Court Facilities Construction Fund/ICNA parking penalty-<br>\$3.00 <sup>3</sup> GC §70372(b)                               | —               | —               | 234             | 2,667           | 1,281           | 2,886           | 7,068            | Finding 2              |
| State Court Facilities Construction Fund/parking penalty-<br>\$1.50 GC §70372(b)   | —               | —               | 171             | 1,379           | 646             | 1,443           | 3,639            | Finding 2              |
| Trial Court Trust Fund/ICNA additional penalty-<br>\$3.00 GC §76000.3  | —               | —               | —               | —               | 822             | 2,844           | 3,666            | Finding 2              |
| Underremitted evidence of responsibility fines:<br>State General Fund/uninsured motorists-<br>\$10.00 PC §1463.22(b)             | 8,360           | 6,420           | 5,310           | 4,600           | 4,580           | 3,570           | 32,840           | Finding 4              |
| State Transportation Fund/motor vehicle account-<br>\$3.00 PC §1463.22(c)  | 2,508           | 1,926           | 1,593           | 1,380           | 1,374           | 1,071           | 9,852            | Finding 4              |
| Overremitted EMAT penalties:<br>Emergency Medical Air Transportation Penalty Fund (EMAT)<br>GC §76000.1                          | —               | —               | —               | —               | (1,692)         | (4,624)         | (6,316)          | Finding 5              |
| Net amount underpaid (overpaid) to the State Treasurer   | <u>\$ 2,893</u> | <u>\$ 2,650</u> | <u>\$ 4,142</u> | <u>\$ 9,962</u> | <u>\$ 5,184</u> | <u>\$ 8,075</u> | <u>\$ 32,906</u> |                        |

Legend: GC = Government Code; H&SC = Health and Safety Code; PC = Penal Code; VC = Vehicle Code, ICNA= Immediate critical needs account

<sup>1</sup> The identification of State revenue account titles should be used to ensure proper recording when preparing the Remittance Advice Form TC-31 to the State Treasurer.

<sup>2</sup> See the Findings and Recommendations section.

<sup>3</sup> Amounts are rounded to the nearest dollar.



**Schedule 2—  
Summary of Underremittances by Month  
Trial Court Trust Fund  
July 1, 2005, through June 30, 2012**

| Month  | Fiscal Year |             |             |             |               |                 |
|--|-------------|-------------|-------------|-------------|---------------|-----------------|
|  | 2006-07     | 2007-08     | 2008-09     | 2009-10     | 2010-11       | 2011-12         |
| July   | \$ —        | \$ —        | \$ —        | \$ —        | \$ —          | \$ 303          |
| August   | —           | —           | —           | —           | —             | 291             |
| September  | —           | —           | —           | —           | —             | 276             |
| October  | —           | —           | —           | —           | —             | 246             |
| November   | —           | —           | —           | —           | —             | 141             |
| December   | —           | —           | —           | —           | —             | 303             |
| January  | —           | —           | —           | —           | 3             | 393             |
| February   | —           | —           | —           | —           | 9             | 351             |
| March  | —           | —           | —           | —           | 93            | 258             |
| April  | —           | —           | —           | —           | 273           | 102             |
| May  | —           | —           | —           | —           | 252           | 99              |
| June   | —           | —           | —           | —           | 192           | 81              |
| Total underremittances to<br>the State Treasurer | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 822</u> | <u>\$ 2,844</u> |

NOTE: Delinquent Trial Court Trust Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to Government Code section 68085(h). The SCO will calculate and bill the county for the penalty after the county pays the underlying amount owed.

**Schedule 3—  
Summary of Underremittances by Month  
State Court Facilities Construction Fund  
July 1, 2005, through June 30, 2012**

| Month  | Fiscal Year |             |               |                 |                 |                 |
|--|-------------|-------------|---------------|-----------------|-----------------|-----------------|
|  | 2006-07     | 2007-08     | 2008-09       | 2009-10         | 2010-11         | 2011-12         |
| July   | \$ —        | \$ —        | \$ —          | \$ 39           | \$ 158          | \$ 482          |
| August   | —           | —           | —             | 174             | 126             | 446             |
| September  | —           | —           | —             | 149             | 81              | 419             |
| October  | —           | —           | —             | 201             | 69              | 369             |
| November   | —           | —           | —             | 315             | 68              | 216             |
| December   | —           | —           | —             | 450             | 45              | 455             |
| January  | —           | —           | 42            | 258             | 33              | 590             |
| February   | —           | —           | 69            | 360             | 36              | 527             |
| March  | —           | —           | 63            | 657             | 171             | 396             |
| April  | —           | —           | 39            | 624             | 442             | 152             |
| May  | —           | —           | 87            | 446             | 391             | 152             |
| June   | —           | —           | 105           | 373             | 307             | 125             |
| Total underremittances to<br>the State Treasurer | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 405</u> | <u>\$ 4,046</u> | <u>\$ 1,927</u> | <u>\$ 4,329</u> |

NOTE: Delinquent State Court Facilities Construction Fund remittances not remitted to the SCO within 45 days of the end of the month in which the fees were collected are subject to penalty, pursuant to Government Code section 70377. The SCO will calculate and bill the county for the penalty amount after the county pays the underlying amount owed.

**Schedule 4—  
Summary of Overremittances by Month  
July 1, 2005, through June 30, 2012**

| Month   | Fiscal Year       |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2006-07           | 2007-08           | 2008-09           | 2009-10           | 2010-11           | 2011-12           |
| July  | \$ —              | \$ —              | \$ —              | \$ —              | \$ —              | \$ (385)          |
| August  | —                 | —                 | —                 | —                 | —                 | (385)             |
| September                                       | —                 | —                 | —                 | —                 | —                 | (385)             |
| October   | —                 | —                 | —                 | —                 | —                 | (385)             |
| November  | —                 | —                 | —                 | —                 | —                 | (385)             |
| December  | —                 | —                 | —                 | —                 | —                 | (385)             |
| January   | —                 | —                 | —                 | —                 | (282)             | (385)             |
| February  | —                 | —                 | —                 | —                 | (282)             | (385)             |
| March   | —                 | —                 | —                 | —                 | (282)             | (386)             |
| April   | —                 | —                 | —                 | —                 | (282)             | (386)             |
| May   | —                 | —                 | —                 | —                 | (282)             | (386)             |
| June  | (9,315)           | (7,114)           | (5,706)           | (4,342)           | (4,437)           | (1,726)           |
| Total overremittances to<br>the State Treasurer | <u>\$ (9,315)</u> | <u>\$ (7,114)</u> | <u>\$ (5,706)</u> | <u>\$ (4,342)</u> | <u>\$ (5,847)</u> | <u>\$ (5,964)</u> |

# Findings and Recommendations

## **FINDING 1— Overremitted excess of qualified fines, fees, and penalties**

The San Benito County Auditor-Controller's Office overremitted by \$31,972 the 50% excess of qualified fines, fees, and penalties to the State Treasurer for the seven fiscal years starting July 1, 2005, and ending June 30, 2011.

Government Code (GC) section 77201(b)(2) requires San Benito County, for its base revenue obligation, to remit \$302,324 for fiscal year (FY) 2005-06 and each fiscal year thereafter. In addition, GC section 77205(a) requires the county to remit to the Trial Court Improvement Fund 50% of qualified revenues that exceed the stated base for each fiscal year.

The overremittance occurred because the county and court used incorrect entries in their distribution working papers, and from the fiscal impact of conditions identified in this report's findings as follows:

- As stated in Finding 4, at month-end, the court did not report the total convictions from evidence-of-responsibility violations and offset county realignment base fines accordingly. \$75,122 ( $\$100,162 \times .75$ ) should have been included in the Maintenance of Effort formula (MOE).
- As noted in Finding 5, emergency medical transportation penalties were distributed from Traffic Violator School (TVS) bail from January 2011 through June 2012. \$4,863 ( $6,316 \times .77\%$ ) should have been included in the MOE.
- As noted in Finding 2, the City of Hollister did not remit parking surcharges from July 2006 through June 2012. \$6,314 should have been included in the MOE.

The qualified revenues reported for FY 2006-07 were \$714,113. The excess, above the base of \$302,324, is \$411,789. This amount should be divided equally between the county and State, resulting in \$205,894 excess due the State. The county remitted a previous payment of \$215,209, causing an overremittance of \$9,315.

The qualified revenues reported for FY 2007-08 were \$665,329. The excess, above the base of \$302,324, is \$363,005. This amount should be divided equally between the county and State, resulting in \$181,502 excess due the State. The county remitted a previous payment of \$188,616, causing an overremittance of \$7,114.

The qualified revenues reported for FY 2008-09 were \$621,725. The excess, above the base of \$302,324, is \$319,401. This amount should be divided equally between the county and State, resulting in \$159,701 excess due the State. The county remitted a previous payment of \$165,407, causing an overremittance of \$5,706.

The qualified revenues reported for FY 2009-10 were \$474,399. The excess, above the base of \$302,324, is \$172,075. This amount should be divided equally between the county and State, resulting in \$86,038 excess due the State. The county remitted a previous payment of \$90,380, causing an overremittance of \$4,342.

The qualified revenues reported for FY 2010-11 were \$486,817. The excess, above the base of \$302,324, is \$184,493. This amount should be divided equally between the county and State, resulting in \$92,247 excess due the State. The county remitted a previous payment of \$96,402, causing an overremittance of \$4,155.

The qualified revenues reported for FY 2011-12 were \$449,357. The excess, above the base of \$302,324, is \$147,033. This amount should be divided equally between the county and State, resulting in \$73,516 excess due the State. The county remitted a previous payment of \$74,856, causing an overremittance of \$1,340.

The overremittances had the following effect:

| Account Title                          | Understated/<br>(Overstated) |
|--|------------------------------|
| Trial Court Improvement Fund–GC §77205 |                              |
| FY 2006-07                             | \$ (9,315)                   |
| FY 2007-08                             | (7,114)                      |
| FY 2008-09                             | (5,706)                      |
| FY 2009-10                             | (4,342)                      |
| FY 2010-11                             | (4,155)                      |
| FY 2011-12                             | (1,340)                      |
| County General Fund                    | 31,972                       |

#### Recommendation

The county should offset subsequent remittances by \$31,972 to the State Treasurer and report on the TC-31 form a decrease to the State Trial Court Improvement Fund – GC section 77205. The county also should make the corresponding account adjustments.

#### County's Response

The county agreed with Finding #1.

#### Superior Court's Response

The finding is a function of San Benito County; therefore; the Superior Court cannot provide a response.

#### SCO's Comment

The county concurs with our finding and we will follow-up with the county to ensure that required adjustments have been made. The finding remains as stated.

**FINDING 2—  
Underremitted State  
parking penalties and  
equipment tag  
violations**

The City of Hollister did not remit county parking penalties, State parking penalties, and state equipment/tag violations from July 2006 through June 2012. City personnel indicated that the required distribution was inadvertently overlooked.

Vehicle Code (VC) section 40200.4 requires the parking processing agencies to deposit with the county treasurer all sums due the county from parking violations.

GC section 76000(c) requires the county to deposit a \$2.50 parking surcharge in both the County Courthouse Construction Fund and Criminal Justice Facilities Fund from each parking fine collected. Further, this section requires \$1 of each \$2.50 parking surcharge to be distributed to the State General Fund.

GC section 70372 requires the county to distribute to the State Court Facilities Construction Fund an additional penalty of \$4.50 for every parking fine or forfeiture starting January 2009.

GC section 76000.3 requires the county to distribute to the State Trial Court Trust Fund an additional penalty of \$3.00 for every parking fine or forfeiture starting December 2009.

VC section 40225(d) allows equipment and registration tag violations to be processed as civil penalties. Upon proof of correction, the civil penalty is reduced to \$10. Civil penalties collected on equipment and tag violations are distributed as follows: 50% to the issuing/processing agency and 50% to the State Treasurer.

The inappropriate distributions for parking surcharges and fines affect the revenues reported to the State Trial Court Improvement Fund under the Maintenance of Effort (MOE) formula pursuant to GC section 77205. In addition, the inappropriate distribution had the following effects:

| Account Title  | Understated/<br>(Overstated) |
|--|------------------------------|
| State General Fund (Equipment/Tag) – VC §40225(d)              | \$ 14,129                    |
| State Court Facilities Construction Fund (ICNA) – GC §70372(b) | 7,068                        |
| State Court Facilities Construction Fund – GC §70372(f)(2)     | 3,639                        |
| State Trial Court Trust Fund – GC §76000.3                     | 3,666                        |
| County General Fund  | 6,313                        |
| County Courthouse Construction Fund                            | 4,735                        |
| County Jail Facility Fund                                      | 4,735                        |
| City of Hollister  | (44,285)                     |

**Recommendation**

The county should remit \$28,502 to the State Treasurer and report on the remittance advice form (TC-31) increases of \$14,129 to the State General Fund – VC section 40225(d); \$7,068 to the State Court Facilities Construction Fund (ICNA) – GC section 70372(b); \$3,639 to the State Court Facilities Construction Fund – GC section 70372(f)(2); and \$3,666 to State Trial Court Trust Fund – GC section 76100.3. The county also should make the corresponding account adjustments.

County's Response

The county agreed with Finding #2.

Superior Court's Response

The finding is a function of the City of Hollister; therefore, the Superior Court cannot provide a response.

SCO's Comment

The county concurs with our finding and we will follow-up with the county to ensure that required adjustments have been made. The finding remains as stated.

**FINDING 3—  
Incorrect distribution  
of juvenile traffic  
violations bail**

The San Benito County Probation Department implemented a new distribution system starting July 2011. Distribution errors were noted as follows:

- Juvenile traffic violations, upon violator election to attend traffic school, were not converted to TVS bail and distributed pursuant to VC section 42007.
- Juvenile traffic violations included a charge for court security fees pursuant to Penal Code (PC) section 1465.8. Juvenile violations are not considered criminal offenses; therefore, court security fees do not apply to juvenile traffic violations.

The fiscal effect of the above errors caused distributions to the State, county, city, and court funds to be inaccurately stated. Probation Department personnel indicated that the required distributions were inadvertently overlooked and the computer distribution system will be corrected. We did not measure the fiscal effect, as it did not appear to be material.

Recommendation

The San Benito County Probation Department should revise its distribution formulas to accurately distribute TVS bail and fees as noted. A redistribution should be made for the period of July 2011 through the date the current system is revised.

County's Response

The county agreed with Finding #3.

Superior Court's Response

The Superior Court did not provide a response to this finding.

SCO's Comment

The county concurs with our finding and we will follow-up with the county to ensure that required adjustments have been made. The finding remains as stated.

**FINDING 4—  
Underremitted proof-  
of-financial  
responsibility fines**

The San Benito County Superior Court did not make the required distributions to the State General Fund and State Transportation Fund for proof-of-financial-responsibility fines for the period of July 2006 through June 2012. Court personnel indicated that the required distribution was inadvertently overlooked.

A \$30.50 fee on each conviction of a proof-of-financial-responsibility violation identified under PC section 16028 is required to be distributed per conviction in the following manner: \$17.50 to the County General Fund pursuant to PC section 1463.22 (a); \$10 to the State General Fund pursuant to PC section 1463.22(c); and \$3 to the State Transportation Fund pursuant to PC section 1463.22(b).

This finding was addressed in the State Controller's Office (SCO) audit of the San Benito Superior Court for the period of July 1998 through June 2002 (report issued March 26, 2004), and during the period of July 2002 through June 2005 (report issued December 6, 2006). At present, the court has not implemented procedures to correct this error.

The inappropriate distributions for proof-of-responsibility fines affect the revenues reported to the State Trial Court Improvement Fund under the Maintenance of Effort formula, pursuant to GC section 77205. In addition, the inappropriate distributions had the following effects:

| Account Title                              | Understated/<br>(Overstated) |
|--|------------------------------|
| State General Fund – PC §1463.22(c)        | \$ 32,840                    |
| State Transportation Fund – PC §1463.22(b) | 9,852                        |
| County General Fund                        | (100,162)                    |
| San Benito County Superior Court           | 57,470                       |

Recommendation

The county should remit \$42,692 to the State Treasurer and report on the remittance advice form (TC-31) increases of \$32,840 to the State General Fund – PC section 1463.22(c) and \$9,852 to the State Transportation Fund – PC section 1463.22(b). The county also should make the corresponding account adjustments. A redistribution should be made for the period of July 2012 through the date on which the current system is revised.

County's Response

The county agreed with Finding #4.



Superior Court's Response

Under-remitted evidence of responsibility of fines by \$42,692: This item was the result of a programming error with the Superior Court's case management system. The case management system has been re-programmed and prior collections have been re-distributed as recommended by the SCO Audit Finding #4.

SCO's Comment

The county and Superior Court concur with our findings and we will follow-up with the Superior Court to ensure that our recommendation has been implemented. The finding remains as stated.

**FINDING 5—  
Overremitted  
emergency medical  
air transportation  
(EMAT) penalties**

The San Benito County Superior Court levied a \$4 State emergency medical air transportation (EMAT) penalty on TVS bail starting January 2011. Court personnel indicated that the inappropriate distribution was due to a lack of guidelines in the legislation and direction from the SCO and Administrative Office of the Courts.

Starting January 1, 2011, GC section 76000.10 requires a \$4 penalty paid to EMAT upon every fine levied on criminal offenses, including traffic offenses but excluding parking offenses. However, upon the election of Traffic Violator School, the fine and penalties are converted to TVS bail as mandated by VC section 42007. Therefore, because EMAT penalties are not included in the exceptions listed within VC section 42007, they should remain as TVS bail.

The inappropriate distributions of county and State penalties affect the revenues reported to the State Trial Court Improvement Fund under the Maintenance of Effort formula, pursuant to GC section 77205. In addition, the inappropriate distributions had the following effects:

| Account Title  | Understated/<br>(Overstated) |
|--|------------------------------|
| Emergency Medical Air Transportation Act Fund—GC §76000.10 | \$ (6,316)                   |
| County General Fund  | 6,316                        |

Recommendation

The county should offset subsequent remittances by \$6,316 to the State Treasurer and report on the TC-31 remittance advice form a decrease to the State Emergency Medical Air Transportation Fund. The court should take steps to ensure that EMAT penalties are distributed in accordance with statutory requirements. A redistribution should be made for the period of July 2012 through the date on which the current system is revised.

County's Response

The county agreed with Finding #5.

Superior Court's Response

Over-remitted emergency medical air transportation penalties by \$6,316: This item was the result of a programming error with the Superior Court's case management system. The case management system has been re-programmed and prior collections have been re-distributed as recommended by the SCO Audit Finding #5.

SCO's Comment

The county and Superior Court concur with our findings and we will follow-up with the Superior Court to ensure that our recommendation has been implemented. The finding remains as stated.

**Attachment A—  
County Auditor-Controller's Response  
to Draft Audit Report**

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**JOE PAUL GONZALEZ**  
**CLERK, AUDITOR & RECORDER**  
**REGISTRAR OF VOTERS**  
E-Mail: [jgonzalez@cosb.us](mailto:jgonzalez@cosb.us)

Telephone: Auditor: (831) 636-4090  
Auditor Fax: (831) 635-9340  
Co. Clerk: (831) 636-4029  
Elections: (831) 636-4016  
Recorder: (831) 636-4046  
Facsimile: (831) 636-2939



**OFFICE OF THE COUNTY CLERK,  
RECORDER & REGISTRAR OF VOTERS**  
440 Fifth Street, Room 206  
Hollister, California 95023

**OFFICE OF THE AUDITOR**  
481 Fourth St., 2<sup>nd</sup> Floor  
Hollister, California 95023

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## COUNTY OF SAN BENITO

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July 26, 2013

Steven Mar  
Chief, Local Government audits Bureau  
State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874

Dear Mr. Mar:

The County is in agreement with the findings identified in the State Controller's Office Audit Report of Court Revenues of the County of San Benito for the period of July 1, 2005, through June 30, 2012.

The amount of \$32,906 in underremitted court revenues was remitted pursuant to the recommended distributions and account adjustments identified in the Audit Report to the State Treasurer on April 17, 2013.

The penalties described under Government Code Sections 68085, 70353, and 70377 will be remitted to the State Treasurer once the County is in receipt of the amounts calculated by your Office pertaining to the responsible agencies.

Please feel free to contact me should you have any questions related to this letter.

Sincerely,

Joe Paul Gonzalez,  
County Auditor-Controller

**Attachment B—  
Court's Response to  
Draft Audit Report**

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# Superior Court of California

## County of San Benito

June 10, 2013

Mr. Steve Mar, Chief  
Local Government Bureau  
Division of Audits  
State Controller's Office  
P.O. Box 942850  
Sacramento, CA 94258-5874

To Mr. Mar:

In response to the letter dated February 28, 2013 for the State Controller's Office (SCO) audit of San Benito County's court revenues for the period July 1, 2005 through June 30, 2012, San Benito Superior Court submits the following two responses to Audit Findings #4 and #5:

1. Under-remitted evidence of responsibility of fines by \$42,692: This item was the result of a programming error with the Superior Court's case management system. The case management system has been re-programmed and prior collections have been re-distributed as recommended by the SCO Audit Finding #4.
2. Over-remitted emergency medical air transportation penalties by \$6,316: This item was the result of a programming error with the Superior Court's case management system. The case management system has been re-programmed and prior collections have been re-distributed as recommended by the SCO Audit Finding #5.

Please note that since Audit Findings #1 and #2 are functions of the County of San Benito and the City of Hollister, respectively, the Superior Court cannot provide a response. If you have any questions about any aspect of this letter, please contact me at 831-636-4057, x11 at your convenience.

Cordially,

A handwritten signature in black ink, appearing to read "Gil Solorio", is written over the word "Cordially,".

Gil Solorio, Court Executive Officer

Cc: Joe Paul Gonzalez, Auditor-Controller, County of San Benito  
Robin Scattini, Fiscal Manager – San Benito Superior Court

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**